

ECONOMIC DEVELOPMENT

Mission Statement: The Department of Economic Development provides the leadership and project management team to implement the Board of Supervisors' adopted economic development vision: *An innovative, globally competitive economy known for its favorable business environment, exceptional quality of place and strong sense of community.* The Department, with its community and regional partners, does this through strategies and actions that are guided by the five goals of the Board's Economic Development Strategic Plan:

- I. *Recognized Center for Innovation:* An excellent location that attracts high value workforce driving innovative commerce and business activity at the forefront of progress.
- II. *Prosperous Business Environment:* Facilities, systems and infrastructure in place to foster expansion, evolution and development of the existing, diverse business base.
- III. *High Quality of Place:* Educational, cultural, recreational, health, safety and welfare amenities that ensure an exceptional quality of life and preserve Loudoun's heritage.
- IV. *Sound Fiscal Health:* Sustained revenues to maintain and improve critical services.
- V. *Favored Visitor Destination:* Regional, national and global hub for travel and tourism.

This plan recognizes that successful economic development increases the community's capacity to generate prosperity for its citizens and businesses. In addition, it provides the local government with the sustained fiscal strength necessary to offer high quality community services for Loudoun businesses and residents, while keeping tax rates competitive.

Department Description: In implementing the Economic Development Strategic Plan, the Department of Economic Development's primary focus is business development: the retention, attraction, expansion, and formation of businesses. To address the varied aspects of business development, the Department provides services to its customers in five areas:

1. Growing and retaining business customers by marketing and outreaching to existing and prospective businesses with ombudsman, site selection and business expansion services;
2. Enhancing Loudoun's three distinct geographies – suburban communities, towns and rural areas -- as attractive places for employees, businesses, visitors and citizens;
3. Improving the business environment including working to ensure that government processes are fair and competitive, that land and infrastructure is sufficient, and that amenities are high quality;
4. Providing the highest quality information and advice by performing market research, analyzing economic/demographic data, and providing strategic advice for businesses, prospects, citizens, county government agencies and media; and
5. Building valuable relationships and partnerships between the government, business, and education communities.

Guided by the County's adopted economic development vision and economic development strategy, the Department supports five public-private partnerships. The Economic Development Commission and the Rural Economic Development Council are appointed to advise the Board of Supervisors. The Main Street Loudoun Partnership promotes economic development in Loudoun's towns, villages and communities as centers for civic, business and visitor activity. The Science and Technology Cabinet and the Design Cabinet support and encourage Loudoun's growth as a global technology center and a place with the highest quality community projects

Departmental Financial Summary	FY 02 Actual	FY 03 Actual	FY 04 Actual	FY 05 Adopted	FY 06 Proposed
Expenditures					
Personnel	\$980,132	\$1,144,160	\$1,332,082	\$1,327,000	\$1,377,000
Operations & Maintenance	403,421	452,606	582,714	278,000	468,000
Capital	0	7,692	2,680	0	0
Central Vehicle Fund	21,997	0	0	0	0
Total Expenditures:	\$1,405,550	\$1,604,458	\$1,917,476	\$1,605,000	\$1,845,000
Departmental Revenue					
Local Fees, Charges, Etc.	\$427	\$2,397	\$2,174	\$0	\$5,000
Federal	0	0	24,498	0	0
TOT Fund Transfers	53,700	49,588	49,976	0*	60,000
Total Revenue:	\$54,127	\$51,985	\$76,648	\$0	\$65,000
Local Tax Funding:	\$1351,423	\$1,552,473	\$1,840,828	\$1,605,000	\$1,780,000
FTE Summary:	17.00	18.00	17.00	16.00	16.77

*Subsequent to the FY 05 budget adoption, \$60,000 of TOT funding was added for the Agri-tourism Marketing program.

County Administrator's Recommendation: The FY 06 proposed budget for Economic Development includes enhancements totaling 0.77 FTE and \$160,000 in local funding for additional marketing funds and the Agricultural Enterprise Manager position. The TOT funding and expenditures for the Agri-tourism Marketing program are included. Local tax funding requirements also increase by health insurance costs.

ECONOMIC DEVELOPMENT

Budget History:

FY 02: The Board funded enhancements totaling 3.00 FTE. In addition, 2.00 FTE authorized by the Board during the FY 01 budget process for the rural initiatives program were assigned to this department. The third 1.00 FTE for the FY 01 rural initiative program had been assigned to Economic Development but was reassigned to Extension, at the Board's direction during the FY 02 budget deliberations for the creation of a Horticulturist position.

FY 03: The FY 03 Adopted Fiscal Plan included a 1.00 FTE enhancement for the Main Street Loudoun Program, but the Board of Supervisors did not include any additional funding for it. The department identified funding for the position in its operations and maintenance base budget for FY 03.

FY 03 Mid-Year: A 1.00 FTE rural economy program manager position was eliminated.

FY 04 Mid-Year: A 1.00 FTE assistant director position was eliminated and 1.00 FTE demographic position was transferred from Planning Services.

FY 05: The Board of Supervisors eliminated a regional economist position (1.00 FTE).

County Administrator's Proposed Enhancements:

	Total Recommended Enhancements			
	Expenditure	Revenue	Local Tax Funding	FTE/Positions
FY 06:	\$160,000	\$0	\$160,000	0.77/1

This enhancement would produce new marketing materials to brand the County and position Loudoun as a key location for international business. Additional marketing funds would be used in two key areas:

Expanded Communications Plan to tell Loudoun's story in a compelling way. This would be the culmination of the Project WOW branding project conducted during the past year-and-a-half. Printed materials would include marketing brochures, newsletters, stationery, etc. Also as follow up to Project WOW, develop and implement a communications strategy (including public relations and targeted, industry-specific advertising) to use the new brand message to support Loudoun County's economic development efforts. Without these funds, there will be insufficient funds to produce marketing collateral or begin to proactively position and market Loudoun.

International Marketing focus will be to contract with an International Business Ambassador to build on the World Cities Alliance organization and activities with Berlin, Zurich, Paris and Cardiff. Produce internationally-focused marketing pieces for print and web use. These pieces will be created in several languages to reach the target audiences mentioned above. Based on the number of hours anticipated, contact will be made with 200 businesses in the targeted international regions, resulting in approximately 20 leads/prospects.

FY 06:	\$100,000	\$0	\$100,000	0.00/0
---------------	------------------	------------	------------------	---------------

This enhancement provides market development, agricultural producer networking and outreach, and business/new product development for the County's large scale, land extensive agricultural industry base by continuing a temporary part-time Agricultural Enterprise Manager position and providing operating funds for the farm-based enterprises program. This program was initiated in FY 04 as a pilot program to assist the entrepreneurial capacity of farm-based enterprises by offering the services of a senior agricultural staff member who is currently in a long term temporary position. This position will touch roughly 122,000 of the 186,000 acres in the Use Value Assessment program. The FY 06 work plan for the position, continues the successful Cattlemen's Association, Farm Business Planning Initiative and the Forum for Rural Innovation, includes forage and hay marketing activity, work with the equine industry and expansion of producers involved in livestock marketing. The crops (\$19.6M), equine (\$46.9M), and livestock (\$19.6M) sectors are the largest annual contributors to agricultural receipts and largest users of the rural land. This position contributes to the community by assisting in the long term sustainability of rural land, by increasing the rural business base and by maintaining the rural character that is so vital to Loudoun's tourism industry. The cattle industry model, which includes development of an association, business planning, branding, and marketing approach, will be adapted for use with the equine and forage industries with the goal to include the majority of Loudoun's agricultural production in these sectors. Benchmarking of these industries using the U.S. Agricultural Census data will be a part of the future work program.

FY 06:	\$60,000	\$0	\$60,000	0.77/1
---------------	-----------------	------------	-----------------	---------------